

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:

LEAVERTA PAYNE,

DEBTORS.

CHAPTER 7

CASE NO. 20-BK-18558

HON. TIMOTHY A. BARNES

**PATRICK S. LAYNG,
UNITED STATES TRUSTEE,**

PLAINTIFF,

V.

**GERACI LAW L.L.C., STEVEN S.
CAMP, RYAN S. FOJO, JUAN M.
VILLALPANDO, CECIL D. SCRUGGS,
AND WILLIAM ALEXANDER WIL-
SON,**

DEFENDANTS.

ADV. NO. 20-AP-400

**JOINT STIPULATION OF DISMISSAL
PURSUANT TO FED. R. CIV. P. 41(a)(1)(A)(ii)**

The United States Trustee (the "*U.S. Trustee*"), the plaintiff in the above captioned adversary proceeding, and Geraci Law, L.L.C., Steven S. Camp, Ryan S. Fojo, Juan V. Villalpando, Cecil D. Scruggs, and William Alexander Wilson (the "*Defendants*"), the defendants in the above captioned adversary proceeding, hereby stipulate and agree to the dismissal of the above captioned adversary proceeding pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), made applicable to this proceeding by Fed. R. Bankr. P. 7041.

In support of this stipulation of dismissal the U.S. Trustee and the Defendants agree as follows:

1. The U.S. Trustee filed a four-count complaint against the Defendants, asserting: (1) continuous and systematic violations of the automatic stay and discharge injunction (Count I); (2) continuous and systematic violations of the reaffirmation requirements in the Bankruptcy Code (Count II); (3) sought disgorgement of all post-petition fees under 11 U.S.C. § 329 (Count III); and (4) sought an injunction against any further use of the fee agreements at issue in this adversary proceedings (Count IV).

2. The Defendants filed a motion to dismiss the complaint on December 18, 2020, *see* Dkt. No. 10, and that motion was fully briefed and argued.

3. The Defendants asserted in their motion to dismiss that: (1) their fee model in chapter 7 cases is legal and ethical and does not violate the automatic stay, discharge injunction, or reaffirmation requirements; (2) that their practice complies with 11 U.S.C. § 526 and Local Rules 2091-1 and 2090-5; and (3) that it is the practices of other attorneys in the district are illegal and unethical, not theirs.

4. On April 19, 2021, the Bankruptcy Court issued an order granting the motion to dismiss in part and denying it in part. *See* Dkt. No. 20. The order dismissed Count II with prejudice and struck the 11 U.S.C. § 105 basis for relief from Count I. The motion was denied in all other respects.

5. The U.S. Trustee and the Defendants have agreed to resolve this dispute without further Court involvement.

6. In exchange for this joint stipulation of dismissal, the parties have agreed that Defendants' new prepetition retention agreement resolves the concerns raised by the U.S. Trustee.

7. This joint stipulation of dismissal does not constitute an admission of wrongdoing on the part of the Defendants. The Defendants maintain that they have in no way violated any law, local rule, rule of procedure, or rule of professional conduct.

8. This joint stipulation of dismissal, and the dismissal of this adversary, is not an admission by the U.S. Trustee that any assertion made by the Defendants in their motion to dismiss is correct or that they have not violated any law, local rule, rule of procedure, or rule of professional conduct. By agreeing to dismiss this case, the U.S. Trustee in no way waives its right and duty to enforce the bankruptcy laws, local rules, rules of procedure, or rules of professional conduct in any other pending or future Bankruptcy case, whether filed by the Defendants or anyone else.

9. This adversary proceeding does not seek to adjudicate any rights under 11 U.S.C. §§ 523, 727, 1141, 1228, or 1328.

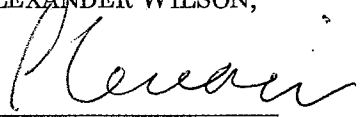
WHEREFORE, the U.S. Trustee and the Defendants jointly agree to the statements in this document and stipulate to the dismissal of this adversary proceeding with prejudice pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), made applicable to this case by Fed. R. Bankr. P. 7041.

Dated: _____

PATRICK S. LAYNG,
UNITED STATES TRUSTEE,

By: _____
David Paul Holtkamp, Trial Attorney
U.S. Department of Justice
Office of the United States Trustee
219 S. Dearborn, Room 873
Chicago, Illinois 60604
Email: David.Holtkamp@usdoj.gov
Phone: (202) 567-1489

GERACI LAW L.L.C.,
STEVEN S. CAMP,
RYAN S. FOJO,
JUAN M. VILLALPANDO,
CECIL D. SCRUGGS, AND
WILLIAM ALEXANDER WILSON,

By:  _____
Peter Francis Geraci
Geraci Law, L.L.C.
55 East Monroe, St., Ste. 3400
Chicago, IL 60603
Email: pgeraci@geracilaw.com
Phone: (312) 332-1800